



Foreign Agricultural Service

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# **Korea, Republic of**

## **Market Development Report**

### **Korea Monthly Market Highlights - November**

### **2000**

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Seoul ATO [KS2], KS

## **1. Korean Economic and Import Update**

The Korean economy is expected to post 9 percent Gross Domestic Product growth in 2000, though growth rates have slowed in this last quarter of the year. High oil prices, weaker export demand, and problems in the restructuring of financial institutions and certain industrial conglomerates are the main causes of the reduced growth rates. Inflation remains low, while current unemployment figure of 4 percent could rise in the coming year. Government sources now project economic growth in the 4 to 5 percent range for 2001. The Korean won has fallen about 8 percent in value over the past several months, returning to the level of about one year ago. With foreign exchange reserves of over \$100 billion, the Government of Korea is in a good position to manage the currency level.

Korean imports of U.S. consumer oriented agricultural products reached \$955 million (CIF basis) in the first 9 months of 2000, an increase of 56 percent over same period in 1999. Imports of intermediate agricultural products were up 14 percent to \$739 million, while imports of U.S. bulk agricultural products fell nearly 31 percent to \$774 million due to mainly loss of U.S. corn market share to imports from the PRC.

## **2. American Food Showcase - March 19 - 20, 2001**

ATO Seoul will hold the 'US Food Showcase' in the JW Marriot Hotel Seoul from March 19-20, 2001. This 'no frills' tabletop event is a perfect showcase opportunity for new-to-market exporters and products seeking opportunities in the Korean market, for a participation fee of only \$500. It is conveniently scheduled for the week following FOODEX Japan. ATO Seoul will recruit key, proven Korean industry buyers and importers to the event. During the Showcase, US exporters can also hold special product seminars.

To participate in the showcase and receive more detailed information, please contact us or see our website at [atoseoul.com](http://atoseoul.com). Showcase space is limited and tables will be allocated on a "first-come-first-served" basis.

## **3. Korean Importer Hooks U.S. Seafood**

The ATO Seoul Seafood Buyers Mission has resulted in \$3 million in sales. The ATO organized a Seafood Buyers Mission last May, visiting exporters in Alaska, Washington State, and Oregon. One mission member recently signed contracts with Seattle based exporters contacted during the mission, and the seafood products are scheduled to ship before the end of the year.

## **4. Importer and Food Companies Partner to Develop Cranberry Items**

Cranberries and Cranberry products have only been introduced to Korea over the past year. With assistance from ATO Seoul and WUSATA, an importer is partnering with Paris Croissant, a local bakery chain, to develop bakery items including cranberry paste filled cookies, yogurt covered dried cranberries, and cranberry flavored chocolate. The same importer is also working with Pulmuone, a local producer of organic foods, to develop cranberry products. This product development, coupled with educational seminars, is part of a long range strategy to increase U.S.

exports of cranberries to Korea.

## **5. Large Sales Expected From Produce Buyers Mission**

ATO Seoul sponsored 10 Korean produce importers on an educational/buyers mission to Southern California. The mission attended the Produce Marketing Association Fresh Summit in Anaheim, and with the assistance of the Western Growers Association, went on 3 days of field travel to meet growers and tour packing facilities in Oxnard, Bakersfield, and the Imperial Valley. Initial survey results indicate the importers learned about more than 37 new produce items, and met more than 32 new potential suppliers. Stay tuned for sales results!

## **6. ATO Promotes NASDA, FMI, and NRA Recruitment in Korea**

The visit of the President of the National Association of State Departments of Agriculture (NASDA), Leon Graves, Vermont Deputy Commissioner of Agriculture Tom Harty, and NASDA Director Dewitt Ashby provided the perfect opportunity to promote that organizations showcases at the Food Marketing Institute and National Restaurant Association shows. The team met with key food retailers and importers like Walmart, Emart, and Samsung Plaza. Informational sessions were also held with the Korean Association of Food Importers, the Association of Foreign Trading Agents in Korea, the Korea Super Chain Store Association, as well as press contacts. ATO Seoul staff will accompany the Korean delegations of buyers to these show.